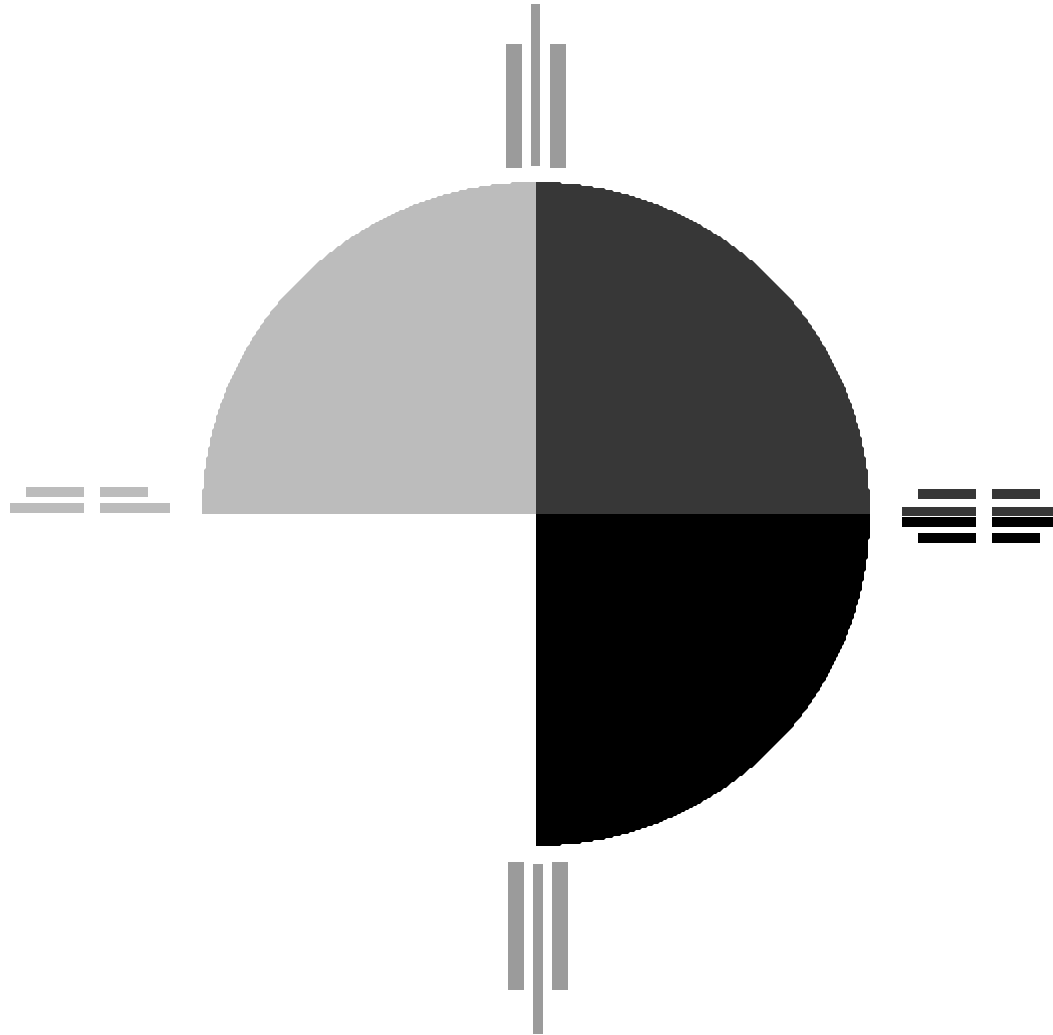


Business Plan Initiative

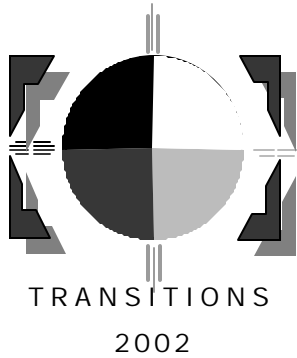




Standing still is not an option

“Programs and government are not like fine wine, they do not improve through an aging process that does not require our intervention.”

Dr. Rashi Fein



The IHS business plan is 5 years old

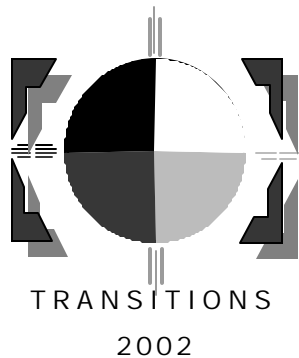
- In 1997, the first IHS business plan workgroup recommended a package of ideas to improve IHS operations with sound business practices.
- The IHS has made strides in implementing many of these ideas

-- but --



We should see if IHS' aging process requires attention

- **Change, both internal and external, continues to impact the Indian health care system**
- **I believe it is time to revisit IHS' present structure and how we carry out business and operational practices within that structure**
- **We should strategically plan for what the next 5 years could bring to the Indian health care system**



The environment is changing

Restructuring

➤ Administration

- President's Management Initiative
- HHS Restructuring Plans

Restructuring plans will significantly impact day-to-day business practices

➤ Congress

- Reauthorization PL-437, implementation of permanent self-governance, interest in IHS and BIA restructuring plans

➤ Tribes

- Expectations continue to evolve



The environment is changing

Population

- The Indian population is growing. More than 200,000 users have been added in 10 years despite severe under funding
- Population continues to grow and migration to and from reservations continues
- IHS maintains “open door” policy but can not meet need all the needs



The environment is changing

Disease

- Our epidemiology is evolving – more Indian people live to older ages which increases prevalence of chronic & expensive problems
- Diabetes continues to wreck havoc in the lives of many
- Bio-terrorism is no longer science fiction



The environment is changing

Self-determination

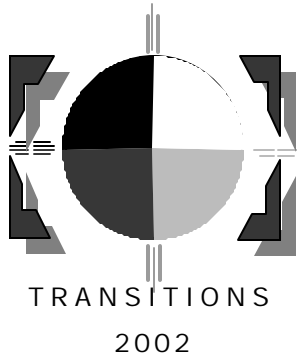
- Transfer of programs to tribal governments continues
- The mix of tribal, IHS, urban programs is different today
- Many tribes have excellent business practices from which IHS can learn
- Many tribes want continuing technical assistance as they operate their own health care systems



The environment of change

Collaboration

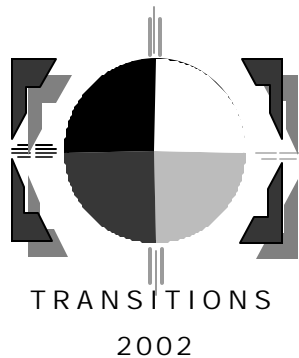
- The extent of collaboration and cooperation among all parts of the Indian health system has never been higher, but much remains to be done
- Possibilities – I could say the necessity – to collaborate with other federal agencies, states, universities, and the private sector has never been better



The environment is changing

Healthcare
Economics

- The health care industry continues to change in response to costs and advancing technology
- Medical inflation is again accelerating after a period of moderate increases
- Advancing technology, especially connectivity through the internet, makes possible new ways of working together



The environment is changing

Resources

- IHS appropriations were essentially flat over the last decade
- Unmet needs remain great (~50%)
- Third party collections is a vital part of the revenue picture now in the future
- No single funding source is likely to meet all the health needs
- Need to take full advantage of existing entitlements to supplement IHS appropriations



**The rapidly changing
environment means we must
consider how we should
respond so we can continue
and improve health care to
Indian people.**



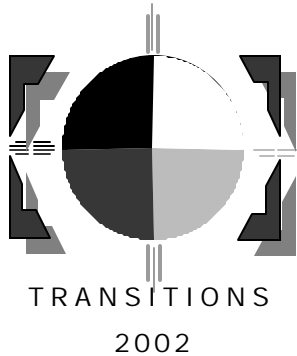
Partnership in planning for the future

The most important thing we can do in planning for the future is to proceed in partnership with all stakeholders - Tribal leaders, Indian people, and IHS employees. It is only by working together that we can accomplish our goals to improve the health of Indian people.



Our best ideas and work have been produced through joint Tribal/Federal workgroups.

- **Representatives from 12 Areas**
- **1 each from the National Indian Health Board, the Tribal Self-Governance Advisory Committee, the National Congress of American Indians, and the National Council of Urban Indian Health**
- **9 IHS federal members**
- **Tribal and IHS co-chairs**



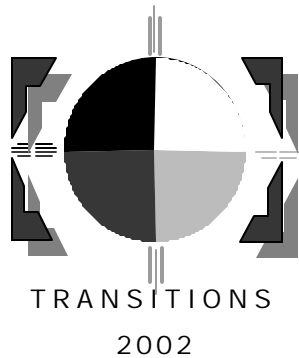
The overarching charge to the workgroup

- **Recommend a business plan that enhances the level of patient care through increased revenue, reduced costs and improved processes.**
- **In keeping with the President's Management Agenda, this will include adopting more corporate-like practices into key segments of Indian Health system operations**



Identify options and recommendations to address

- review the 1997 Business Plan
- additional revenues, cost savings, strengthen internal business practices
- practices for a reorganized I/T/U system, practices stimulated by the Presidents' Management Initiative, "one-HHS" reorganization, GPRA, etc.
- additional trends in Indian self-determination and transfer of IHS resources to tribes, and
- a rapidly changing health care industry



Coordinate with the Restructuring Initiative Workgroup

- **The Business Plan Workgroup partially overlaps with the Restructuring Initiative Workgroup in timeframe and implications**
- **RIW focuses primarily on reorganization**
- **BPW focuses primarily on practices**
- **Coordinate your efforts with the RIW, especially for business practices stimulated by reorganization**



Diversity and Unity

- Bring your personal experience and views to the table to share – your diversity is a strength and is the reason for representative membership
- Endeavor to find solutions that everyone can support and are in the best interests of all Indian people



END

- **There will be more detailed presentations and discussions on the topics I have touched on this morning.**
- **Welcome again and I sincerely thank you for contributing your valuable time to improving health of Indian people.**